

**BUDGET SESSION  
CITY OF WATERTOWN  
May 16, 2002  
6:00 P.M.**

**MAYOR JOSEPH M. BUTLER PRESIDING**

**PRESENT:**            **COUNCILWOMAN ROXANNE M. BURNS  
COUNCILMAN PETER L. CLOUGH  
COUNCILMAN PAUL A. SIMMONS  
COUNCILMAN JEFFREY M. SMITH  
MAYOR BUTLER**

**ALSO PRESENT:**   **CITY MANAGER JERRY C. HILLER  
ASSISTANT CITY MANAGER MARY M. CORRIVEAU  
CITY COMPTROLLER JAMES M. McCAULEY  
ASSISTANT COMPTROLLER BONNIE ROBBE  
WATER SUPERINTENDENT GARY PILON  
DPW SUPERINTENDENT EUGENE HAYES  
CITY ENGINEER NORMAN LIU  
PARKS&REC.SUPERVISOR JAYME ST. CROIX  
CODES SUPERVISOR SHAWN McWAYNE  
PURCHASING AGENT ROBERT CLEAVER**

**Proposed Reorganization**

Prior to the presentation, Mr. Hiller explained that the rumors about this have made it greater than what it is. He explained that they have tried to combine departments where they could in an effort to provide the same level of services. This plan is based on the current vacancies and the early retirement incentive. He explained that they have tried to be compassionate and have tried to minimize the disruption of employees' lives. He also explained that this is not a "home run" in balancing the budget. It is a plan that keeps the same level of service but reduces the number of supervisory positions. Mr. Hiller publicly thanked Mrs. Corriveau for the work she did in preparing the proposal.

Mayor Butler explained that this is the first time that the Council will be looking at the presentation.

Mrs. Corriveau presented the plan for the Proposed Reorganization of City Departments. The plan would affect Public Works, Water Department, Purchasing Department, Planning Department, Engineering Department, Comptroller's Department, Building Maintenance Services and Code Enforcement Department. The savings are predicated on the assumptions that the state budget provides an early retirement incentive; that the City of Watertown opts into early retirement program; that DPW savings under the reorganization will be used to fill department vacancies and that the City implements the

plan effective December 31, 2002. The budgetary impact of \$60,000 in the General Fund does not include the \$168,000 savings in the vacant DPW positions cut from the budget. There would also be a savings of \$13,000 in the Library Fund.

In answering questions posed by Council, Mrs. Corriveau explained that if the six positions in DPW remain vacant throughout the entire fiscal year, the City would see a reduction in service. She explained that the plan would show the savings in management positions, rather than in laborer positions. She stated that she doesn't know if at this time, all six can be filled. However, the number will be five or six.

Mrs. Corriveau explained that this would not take place until December, as they want to be able to offer the retirement incentive to the employees to provide for a "soft landing" for them.

Councilman Smith questioned where the "soft landing" was for taxpayers.

Mrs. Corriveau explained that there is too much that needs to take place to coordinate a reorganization of this size.

Mr. Hiller commented that without a proper transition this wouldn't work efficiently. He remarked that he doesn't think the taxpayer wants to see a short change on dollars to be shortchanged on services. He stated that this plan tries to balance both sides.

Mayor Butler asked Mr. Liu, City Engineer, what he saw, if any, as some of the downsides or negatives of this plan since Engineering will be significantly impacted with this reorganization by taking over wastewater treatment and water treatment.

Mr. Liu remarked that with this plan, they would add a very capable superintendent in Mr. Pilon to their department. He stated that the impact is manageable.

Mayor Butler asked Mr. Liu if the impact was desirable.

Mr. Hiller responded to Mayor Butler that he shouldn't be asking a department head to second guess management staff as he is asking Mr. Liu to challenge a group which he was part of.

Mayor Butler responded back that this is the only opportunity Council has had to see the plan and ask questions and he will ask questions.

Mayor Butler asked Mr. Liu if this is a better organizational plan than we currently have or is this manageable.

Mr. Liu responded that what we have now has been working and is proving successful. He stated that they would try their best to implement the plan proposed by the City Manager and to support the plan.

Councilman Simmons stated that it looks like the plan dismantles the Recreation Department completely.

Mr. Hiller explained that the Recreation Department stays intact quite a bit. The DPW type functions, such as mowing, etc., will be assigned to a supervisor. Mr. St. Croix will still oversee the recreation programs. It was also explained to Council that the supervisor would report directly to Mr. Hayes. There will be a larger pool to pull workers from for the DPW type functions.

Councilman Clough asked if it would make more sense to put Recreation under the Planning Department since they deal with parks.

Mr. Hiller explained that Recreation provides direct recreational services and Planning is not involved in the direct programs, but rather looks at the master planning for parks and ball fields, etc.

Mayor Butler asked Mr. Hayes if he had any comments concerning the plan.

Mr. Hayes responded that the plan is very challenging and very quick. He explained that these ideas are nothing that hasn't been considered before. While it would be easier to do one phase at a time, the financial crisis demanded immediate implementation. Therefore, the implementation would start immediately in this fiscal year and then would carry through for the following year. He outlined the plan for Parks and Recreation as well as for Streets. He explained that Mr. Van Brocklin has the expertise for assuming the "green aspect" of DPW. Streets will be in control of everything from sidewalk to sidewalk.

Mr. Hayes explained that the most difficult transition would be water and sewer. He stated that it would be a bumpy transition for a couple of years. He stated that it wouldn't be a seamless transition because we will be losing administrative staff and there will be a tremendous learning curve.

Councilman Clough asked if Mr. Hayes' office should be moved down to DPW.

Mr. Hayes stated that it is imperative that it be moved down, along with the clerical staff.

Councilman Clough asked what the impact would be if the County and City went in together with the garage.

Mr. Hayes explained that those discussions are stand-alone and won't have any impact on this plan.

Councilman Clough asked if all department heads had input on the plan.

Mr. Hayes stated that the department heads whose departments are involved did have input on the plan.

Councilman Clough asked Mr. Pilon what his concerns were about this plan.

Mr. Pilon stated that he would rather not comment.

Mayor Butler responded that it is important to this Council to make an informed decision, first to listen and evaluate and then to make a decision later. He stated that he is trying to decide what impact this reorganization would have on the tax rates and the reduction of services. He remarked that he is more prone toward a higher tax rate than to cut services.

Councilman Clough commented that Mr. Hayes seemed to have some questions as far as the water part. Therefore, he feels it is important to have some input directly from the department heads on how it will affect them. He stated that he would hope that no one feels that there would be repercussions if they spoke their minds, as this should not happen. He stated that if it did, shame on the person who initiated it. He remarked that it is important for this Council to hear from each department head, since the individual department head knows his or her department better than anyone else.

Mr. Hiller remarked that he is not saying that there is a “gag order” on the department heads. He stated that he objected to the Mayor’s prior question because of the way it was phrased. He stated that the department heads are free to say how it impacts their departments. Ultimately when there are diverse opinions among department heads, someone has to make the final decision and that is the City Manager. He stated that while everyone participated in the process, not everyone is happy with the final decision. However, the main concern is that the service level stays as is.

Councilman Clough remarked that for this Council to make an informed decision, Council needs to know the implications.

Mayor Butler commented that we can ask the department heads publicly or privately and he would appreciate it if they would express their views here this evening.

Mrs. Corriveau answered questions posed by Councilman Simmons concerning the savings for the plan.

Councilman Simmons commented to Mr. St. Croix that it looked as if the Recreation Department was dismantled.

Mr. St. Croix responded that this is the first he had seen the plan. He stated that Recreation is a service-oriented department and he can’t tell Council how it will work out at this time.

Councilman Simmons questioned why Mr. St. Croix didn’t know about this plan before.

Mr. St. Croix explained that he is not a department head.

Councilman Simmons commented that it appears that this has been worked on very hard and also done very quickly. However, a lot of people didn't have input into this. He stated that he is not 100% sure that this should be done this rapidly. He commented that perhaps we should wait to see how the early retirement goes.

Councilman Clough remarked that Council did direct Mr. Hiller to come up with something to affect the budget and that is exactly what he did.

Councilman Simmons commented that for 1% in the tax rate, he wants to make sure that the plan works.

Mr. Hiller reiterated the fact that the 6 current vacancies in the DPW budget will have an effect on services.

Councilman Clough responded that when they were previously looking at the vacancies, Mr. Hayes indicated that there would be an impact, but not a major impact of cutting services.

Mr. Hayes explained that you wouldn't see the impact all at once. It will be gradual and you will see a gradual degradation of services. He stated that he is most concerned about the impact during the winter months. He also commented that there is not one reduction in personnel in the Recreation Department and none of their programs will be impacted.

Councilman Clough asked what the impact would be on Water.

Mr. Hayes explained that he would be working closely with Mr. Pilon.

Mayor Butler asked if we were on the cutting edge compared to cities our size or is this something that they have been doing for years.

Mr. Hiller explained that in two other communities where he worked, both water and sewer came under one – either DPW or Engineering. He explained that the equipment used is very similar and it is a change, which they would rather do over a period of time. He also explained that this brings all three utilities together and puts the accounting under the Comptroller's Office.

Mayor Butler asked Mr. McCauley what impact this would have on his department.

Mr. McCauley explained that years ago the Water Department's accounting was done in his office and didn't present any problem. He stated that while taking on Purchasing is something new, he has had discussions with Mrs. Robbe and Mr. Cleaver about it and is sure it will work out.

Mayor Butler asked Mr. Cleaver, Purchasing Agent, to comment about the plan.

Mr. Cleaver stated that he just found out about it on Monday and would hold his comments.

Mrs. Corriveau explained that Mr. Cleaver had been out of town and therefore couldn't be informed until Monday.

Councilman Clough commented that people are asking what do they get for their taxes now and they are leery of any reorganization discussions.

Mr. Hiller explained that this plan is to maintain the same level of service. There is an adjustment period. The plan calls for a flattening of the organizational structure with less supervisory management positions.

Mayor Butler responded that people have asked him how supervisors can be cut, as the City will be losing their expertise.

Councilman Simmons asked about the part-time position being added to the Planning Department.

It was explained that this individual is now Civil Engineer II. It is premised on the assumption that he will take the early retirement and come back on a part-time basis.

Councilman Simmons asked Mr. McWayne if he had input on the plan, since it affects the Codes Department.

Mr. McWayne stated that he had no input since he is not a department head. However, he explained that he has no problems with the plan and will be gaining a maintenance employee.

Mr. Pilon addressed the Council explaining that Mr. Hayes had summed up the impact very well. He stated that he is very sensitive because in 1982 when Mr. John Donohue Superintendent of Electric and Water, retired the position was taken out of the budget and the Water Department was split. It did not work out as planned and in 1986 Mr. Amylon asked Mr. Pilon to take on the job as Water Superintendent and it was brought back as a separate department.

Councilman Clough asked why the 1982 change was made in the first place.

Mr. Pilon explained that Mr. Doug Lowe was City Manager at the time and he made that decision.

Mayor Butler commended all department heads and stated that they all do an outstanding job.

Councilman Simmons questioned if a dollar value had been put on the cost of training other employees to do these new jobs.

Mrs. Corriveau explained that they haven't put in the cost of that. In addition, there will be changes in job titles through Civil Service.

Mr. Hiller remarked that the EAP program would be available to help with the reorganization. He is also checking into programs that SMC used for their employees during their reorganization.

Councilman Clough asked if anyone in the audience would like to comment on the plan.

**Brenda Harwood**, Recreation Employee and CSEA President, addressed the chair stating that no one has taken the time to speak with the employees and she feels that this is a "half-baked" idea.

Mayor Butler commented that Ms. Harwood, as CSEA President, had seen the plan this afternoon.

Ms. Harwood said that while she had seen it, she hasn't had time to study it. She also commented that as an employee of the Recreation Department, she foresees a loss of services if the plan is implemented. She commented that when you put Recreation employees into DPW, they would be pulled away to do DPW work. She also commented that until more details are made available, it would be very hard to comment on the plan.

**Steve Gebo**, Water Department Employee, addressed the chair remarking that Mr. Pilon takes care of his employees and they are very loyal to him. He also commented that the change of leadership would have an effect on employee morale.

Mr. Liu commented that this change is aimed at a long-term plan. This is the first step. He stated that the loyalty of city employees should be to the public. He stated that Mr. Pilon has extremely good management skills and Mr. Hayes is a very effective superintendent. He stated that the plan will work and we will all win. He also commented that Mr. Hiller and Mrs. Corriveau did a great job with this proposal.

Mayor Butler commented that everything is based on loyalty, respect and integrity. He thanked everyone for working on the plan.

Councilman Simmons commented that he is surprised that the department heads didn't speak with the supervisors. He stated that he would question the loyalty of a department head not advising a supervisor of this plan. He stated that the supervisors received this information late.

Mr. Hiller commented that those who were most impacted were contacted.

Councilman Simmons responded that every supervisor should have been talked with prior to this evening.

Mr. Pilon stated that his supervisors knew about it as he had spoken with them.

Mr. Hiller remarked that these are not new ideas. They have been tried before in other municipalities.

Councilman Clough commented that Council did give the direction and that is what Mr. Hiller and Mrs. Corriveau did. He said that it is immaterial as to when the people were notified.

Mr. Hiller reiterated the fact that this plan is predicated on retirement incentives. There is no guarantee that there will be the same retirement offer next year. Therefore, to defer this could result in layoffs next year.

Councilman Clough asked if the CSEA proposals had been reviewed for possible long-range implementation.

Mr. Hiller said that they are being looked at. However, the changes would not create substantive savings to this budget.

### **Fire Department**

Councilman Clough referred to the article in the paper concerning the closing of the Mill Street Fire Station. He stated that this was news to him.

Mr. Hiller stated that management and the MMA did not make the statement. He stated that someone might have misunderstood. No conclusions have come from the study as of yet.

Mayor Butler explained that they did a “windshield” tour and the MMA were surprised at the number of chiefs and captains compared to firefighters.

Councilman Clough remarked that if there were some information already supplied to the City, it would be inappropriate not to inform the Council.

### **Yard Waste**

Mayor Butler stated that he feels we should stay in the yard waste business. He questioned that if we do, should we charge for the service and if so, what amount?

Councilman Clough commented that the original idea of eliminating this program came from Mr. Hayes.

Mr. Hayes explained that he had said that if the City gets out of the refuse and recycling business, we should also get out of the yard waste business.



Discussion was held concerning fee amounts and the number of residents in the city who would pay for the service. Also discussed was the fact that if the City charged for the service, there could be competition from private haulers and the City could lose customers.

Mr. Hayes stated that it is a strong possibility that this would happen. Any price puts it at risk.

Councilman Clough questioned if the City hasn't learned from past mistakes with curbside pickups and people bringing in items from outside the City.

Councilman Simmons stated that he thinks the City should be out of the business. He explained that businesses don't use the service and questioned why they should be paying for it through the taxes. He stated that people should pay for their own yard waste. It is a service that is 2% on the tax rate.

Mayor Butler commented that at this time, the City doesn't have a competitive hauler to offer the service.

Councilman Smith commented that if other cuts are made in the budget, he might be able to support Mayor Butler's position.

Mr. Hayes commented that we couldn't look at this as an enterprise fund. We are trying to raise revenues without necessarily breaking even. He explained that Council would have to decide on a yearly fee. He suggested that a partial fee be instituted for this year and then start the full year fee in March if Council decided on this option. He also explained that any legal issue of not picking up non-customer's yard waste would have to be addressed by Attorney Slye.

After much discussion on fees and the number of residents using the service, Mayor Butler commented that it isn't worth 1% on the tax rate to create all this fuss.

Councilman Simmons commented that if the City gets out of the business, someone in the private sector would pick it up.

Mr. Hiller also commented that the retirement program is still very preliminary and it won't be adopted right away. It will be well after this budget has been adopted.

Mayor Butler commented that the budget is like negotiations. Council needs to make a decision – either high tax rate or more cuts.

Mayor Butler also asked employees to get their comments concerning the reorganization to him or to Mr. Hiller.

### **Schedule for Adoption of the Budget**

Mrs. Corriveau advised Council that she needs at least one day to get everything prepared before Council adopts the budget.

### **Adjournment**

The next budget session will be Monday, May 20<sup>th</sup>, at 6:00 p.m. prior to the regular Council meeting.

Budget session adjourned at 8:35 p.m.

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Donna M. Dutton